

ASSEMBLY BILL

No. 338

Introduced by Assembly Member Ma

February 18, 2009

An act to amend Sections 53395.1, 65460.1, 65460.2, and 65460.4 of, and to add Sections 53395.7.5 and 65460.2.5 to, the Government Code, relating to transit facilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 338, as introduced, Ma. Transit village developments: infrastructure financing.

Existing law authorizes a city or county to create a transit village plan for a transit village development district. A transit village plan is required to include all land within not less than $\frac{1}{4}$ mile of the exterior boundary of the parcel on which is located a transit station, as defined. A legislative body is authorized to create an infrastructure financing district, adopt an infrastructure financing plan, and issue bonds, for which only the district is liable, to finance specified public facilities, upon voter approval.

This bill would recast the area included in a transit village plan to include all land within not more than $\frac{1}{2}$ mile of the main entrance of a transit station. The requirement of voter approval for the formation of an infrastructure financing district, adoption of an infrastructure financing plan, and an issuance of bonds for the purpose of developing and financing a transit facility, as defined, would be eliminated. A transit village plan financed by these bonds would be required to include specified demonstrable public benefits regarding housing, replacement dwelling units at an affordable housing cost when specified dwelling units are destroyed or removed, and a provision that at least 20% of all

revenues derived from the property tax increment be dedicated to increase, improve, and preserve the transit village district's supply of affordable housing, as defined. The bill also would make technical, nonsubstantive changes.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 53395.1 of the Government Code is
2 amended to read:
3 53395.1. Unless the context otherwise requires, the *following*
4 definitions contained in this article shall govern the construction
5 of this chapter. *chapter:*
6 (a) "Affected taxing entity" means any governmental taxing
7 agency which *that* levied or had levied on its behalf a property tax
8 on all or a portion of the property located in the proposed district
9 in the fiscal year prior to the designation of the district, but not
10 including any county office of education, school district, or
11 community college district.
12 (b) "City" means a city, a county, or a city and county.
13 (c) "Debt" means any binding obligation to repay a sum of
14 money, including obligations in the form of bonds, certificates of
15 participation, long-term leases, loans from government agencies,
16 or loans from banks, other financial institutions, private businesses,
17 or individuals.
18 (d) "Designated official" means the city engineer or other
19 appropriate official designated pursuant to Section 53395.13.
20 (e) (1) "District" means an infrastructure financing district.
21 (2) An infrastructure financing district is a "district" within the
22 meaning of Section 1 of Article XIII A of the California
23 Constitution.
24 (f) "Infrastructure financing district" means a legally constituted
25 governmental entity established pursuant to this chapter for the
26 sole purpose of financing public facilities.
27 (g) "Landowner" or "owner of land" means any person shown
28 as the owner of land on the last equalized assessment roll or
29 otherwise known to be the owner of the land by the legislative
30 body. The legislative body has no obligation to obtain other
31 information as to the ownership of land, and its determination of

ownership shall be final and conclusive for the purposes of this chapter. A public agency is not a landowner or owner of land for purposes of this chapter, unless the public agency owns all of the land to be included within the proposed district.

(h) “Legislative body” means the city council or board of supervisors.

(i) *“Transit facility” includes, but is not limited to, any publicly owned facility and amenity necessary to implement a transit village plan adopted pursuant to Article 8.5 (commencing with Section 65460) of Chapter 3 of Division 1 of Title 7.*

SEC. 2. Section 53395.7.5 is added to the Government Code, to read:

53395.7.5. Notwithstanding any other section of this chapter, an election is not required to form an infrastructure financing district, adopt an infrastructure financing plan, or issue bonds pursuant to this chapter. Any other provision of this chapter applies to the formation of an infrastructure financing district and the adoption of an infrastructure financing plan.

SEC. 3. Section 65460.1 of the Government Code is amended to read:

65460.1. (a) The Legislature hereby finds and declares all of the following:

(1) Federal, state, and local governments in California are investing in new and expanded transit systems in areas throughout the state, including Los Angeles County, the San Francisco Bay area, San Diego County, Santa Clara County, and Sacramento County.

(2) This public investment in transit is unrivaled in the state’s history and represents well over ten billion dollars (\$10,000,000,000) in planned investment alone.

(3) Recent studies of transit ridership in California indicate that persons who live within a ~~quarter-mile~~ *one-half mile* radius of transit stations utilize the transit system in far greater numbers than does the general public living elsewhere.

(4) The use of transit by persons living near transit stations is particularly important given the decline of transit ridership in California between 1980 and 1990. Transit’s share of commute trips dropped in all California metropolitan areas—greater Los Angeles: 5.4 percent to 4.8 percent; San Francisco Bay area: 11.9

1 percent to 10.0 percent; San Diego: 3.7 percent to 3.6 percent;
2 Sacramento: 3.7 percent to 2.5 percent.

3 (5) Only a few transit stations in California have any
4 concentration of housing proximate to the station.

5 (6) Interest in clustering housing and commercial development
6 around transit stations, called transit villages, has gained
7 momentum in recent years.

8 (b) For purposes of this article, the following definitions shall
9 apply:

10 (1) "Bus hub" means an intersection of three or more bus routes,
11 with a minimum route headway of 10 minutes during peak hours.

12 ~~(2) "Bus transfer station" means an arrival, departure, or transfer~~
13 ~~point for the area's intercity, intraregional, or interregional bus~~
14 ~~service having permanent investment in multiple bus docking~~
15 ~~facilities, ticketing services, and passenger shelters.~~

16 (2) "*County*" includes a city and county.

17 (3) "District" means a transit village development district as
18 defined in Section 65460.4.

19 (4) "Peak hours" means the time between 7 a.m. to 10 a.m.,
20 inclusive, and 3 p.m. to 7 p.m., inclusive, Monday through Friday.

21 (5) "Transit station" means a rail or light-rail station, ferry
22 terminal, bus hub, or bus transfer station.

23 SEC. 4. Section 65460.2 of the Government Code is amended
24 to read:

25 65460.2. A city or county may prepare a transit village plan
26 for a transit village development district that addresses the
27 following characteristics:

28 (a) A neighborhood centered around a transit station that is
29 planned and designed so that residents, workers, shoppers, and
30 others find it convenient and attractive to patronize transit.

31 (b) A mix of housing types, including apartments, within not
32 more than a ~~quarter~~ *one-half* mile of the ~~exterior boundary~~ *main*
33 *entrance* of the ~~parcel on which the transit station is located~~.

34 (c) Other land uses, including a retail district oriented to the
35 transit station and civic uses, including day care centers and
36 libraries.

37 (d) Pedestrian and bicycle access to the transit station, with
38 attractively designed and landscaped pathways.

1 (e) A transit system that should encourage and facilitate
2 intermodal service, and access by modes other than single occupant
3 vehicles.

4 (f) Demonstrable public benefits beyond the increase in transit
5 usage, including any five of the following:

- 6 (1) Relief of traffic congestion.
- 7 (2) Improved air quality.
- 8 (3) Increased transit revenue yields.
- 9 (4) Increased stock of affordable housing.
- 10 (5) Redevelopment of depressed and marginal inner-city
11 neighborhoods.
- 12 (6) Live-travel options for transit-needy groups.
- 13 (7) Promotion of infill development and preservation of natural
14 resources.
- 15 (8) Promotion of a safe, attractive, pedestrian-friendly
16 environment around transit stations.
- 17 (9) Reduction of the need for additional travel by providing for
18 the sale of goods and services at transit stations.
- 19 (10) Promotion of job opportunities.
- 20 (11) Improved cost-effectiveness through the use of the existing
21 infrastructure.

- 22 (12) Increased sales and property tax revenue.
- 23 (13) Reduction in energy consumption.
- 24 (g) Sites where a density bonus of at least 25 percent may be
25 granted pursuant to specified performance standards.

26 (h) Other provisions that may be necessary, based on the report
27 prepared pursuant to subdivision (b) of former Section 14045, as
28 enacted by Section 3 of Chapter 1304 of the Statutes of 1990.

29 SEC. 5. Section 65460.2.5 is added to the Government Code,
30 to read:

31 65460.2.5. If a city, county, or city and county finances any
32 portion of a district, as defined in this article, under the provisions
33 of Chapter 2.8 (commencing with Section 53395) of Part 1 of
34 Division 2 of Title 5, the city, county, or city and county shall do
35 all of the following:

- 36 (a) Use at least 20 percent of all revenues derived from the
37 property tax increment under Chapter 2.8 (commencing with
38 Section 53395) of Part 1 of Division 2 of Title 5 for the purposes
39 of increasing, improving, and preserving the supply of lower and
40 moderate-income housing available in the district at affordable

1 housing cost, as defined in Section 50052.5 of the Health and
2 Safety Code, and occupied by persons and families of low or
3 moderate income, as defined in Section 50093 of the Health and
4 Safety Code, lower income households, as defined in Section
5 50079.5 of the Health and Safety Code, very low income
6 households, as defined in Section 50105 of the Health and Safety
7 Code, and extremely low income households, as defined in Section
8 50106 of the Health and Safety Code. The amount of very low,
9 low- and moderate-income housing shall be in compliance with
10 the Community Redevelopment Law (Article 1 (commencing with
11 Section 33000) of Chapter 1 of Part 1 of Division 24 of the Health
12 and Safety Code) and any adopted policies of the city, county, or
13 city and county that adopted the transit village plan.

14 (b) Require that housing units described in subdivision (a)
15 remain available at affordable housing cost to, and occupied by,
16 persons and families of low or moderate income and very low
17 income and extremely low income households for the longest
18 feasible time, but for not less than 55 years for rental units and 45
19 years for owner-occupied units. The covenants or restrictions
20 implementing this requirement shall be in compliance with
21 subdivision (f) of Section 33334.3 of the Health and Safety Code.

22 (c) Rehabilitate, develop, or construct, or cause to be
23 rehabilitated, developed, or constructed for rental or sale to persons
24 and families of low or moderate income an equal number of
25 replacement dwelling units that have an equal or greater number
26 of bedrooms as the destroyed or removed units, at affordable
27 housing costs within the district, and within four years after the
28 destruction or removal, whenever dwelling units housing persons
29 and families of low or moderate income are destroyed or removed
30 from the low- and moderate-income housing market as part of the
31 development of a transit district that is subject to a written
32 agreement with the city, county, or city and county, or when
33 financial assistance has been provided by the city, county, or city
34 and county. The replacement dwelling units shall be available at
35 affordable housing cost to, and occupied by, persons and families
36 in the same or a lower income category as the persons and families
37 displaced from those destroyed or removed units.

38 (d) Include in the transit village plan both of the following:

1 (1) As one of the five demonstrable public benefits required by
2 subdivision (f) of Section 65460.2, either an increased stock of
3 affordable housing or live-travel options for transit-needy groups.

4 (2) Provisions to implement subdivisions (a) and (b) and
5 paragraph (1).

6 SEC. 6. Section 65460.4 of the Government Code is amended
7 to read:

8 65460.4. A transit village development district shall include
9 all land within not more than a ~~quarter~~ *one-half* mile of the ~~exterior~~
10 ~~boundary main entrance of the parcel on which is located~~ a transit
11 station designated by the legislative body of a city, county, or city
12 and county that has jurisdiction over the station area.